

Section 2B – Consequential changes to remainder of DCUSA

Section 1

Cross-references

The following provisions in Section 1 contain references to Clauses in Section 3 of the DCUSA (Clause 36 onwards), the numbering of which will alter as a consequence of introducing Section 2B.

In the case of each such reference, the Clause number referred to should be increased by 17.

Cross-references are not listed where detailed re-drafting of the relevant Section 1 clause is set out in the following pages (as such re-drafting picks up the clause reference amendment).

- “Affected Party”
- “Breaching Party”
- “Contract Manager”
- “Event of Default”
- “Party”
- “Party Liable”
- Clause 2.2.1
- Clause 2.2.2
- Clause 5.3.5
- ~~Clause 9.5.2~~

Clause 1

The following definitions will be amended so as to read as follows:

Company has, in respect of Section 2A, the meaning given to that term in Clause 15.1, and, in respect of Section 2B, the meaning given to that term in Clause 36.1.

Connectee means, in respect of:

- (a) Section 2A and a Customer Installation, the relevant Customer;
- (b) Section 2A and a Generation Installation, the relevant Generator;
- (c) Section 2A and a User Installation, the User; and
- (d) Section 2B, a person whose premises are connected to the Company's Distribution System or a person whose premises are connected to the User's Distribution System (as determined in accordance with Clause 36.4).

Customer means:

- (a) in respect of Section 2A, a person to whom a User proposes to supply, or for the time being supplies, electricity through an Exit Point, or from whom a User, or any Relevant Exempt Supplier, is entitled to recover charges, compensation or an account of profits in respect of electricity supplied through an Exit Point; and
- (b) in respect of Section 2B, any owner or occupier of premises in Great Britain who is supplied or requires to be supplied with electricity, and includes an electricity supplier when acting on behalf of such a person.

De-energisation Works means the movement of any switch, the removal of any fuse or meter, or the taking of any other step to De-energise a

Connection Point, Metering Point or Metering System.

De-energise

means:

- (a) in respect of Section 2A, deliberately to prevent the flow of electricity:
 - (i) in the case of an Exit Point, from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to; and/or
 - (ii) in the case of an Entry Point, via the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, any one or more of the relevant Entry Points) from,a Connected Installation, for any purpose other than a System Outage on the Company's Distribution System (and cognate expressions shall be construed accordingly); and
- (b) in respect of Section 2B, deliberately to prevent the flow of electricity through a Connection Point for any purpose other than a System Outage on the Company's Distribution System (and cognate expressions shall be construed accordingly).

Distribution Business

has, in respect of each DNO Party or IDNO Party, the meaning given to that term in that Party's Distribution Licence.

Distribution Code

means, in respect of each DNO Party or IDNO Party, the distribution code established pursuant to Condition 9 of that Party's Distribution Licence.

Distribution System

means:

- (a) in respect of Section 2A and the Company, the Company's distribution system (such system having the same meaning as is given to that term in the Company's Distribution Licence); and
- (b) in respect of Section 2B and either the Company or the User, the Company's or the User's (as appropriate) distribution system (such system having the same meaning as is given to that term in the Company's or the User's (as appropriate) Distribution Licence).

Energise

means:

- (a) in respect of Section 2A, deliberately to allow the flow of electricity:
 - (i) in the case of an Exit Point, from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to; and/or
 - (ii) in the case of an Entry Point, via the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, one or more of the relevant Entry Points) from,a Connected Installation, where such a flow of electricity has never previously existed (and cognate expressions shall be construed accordingly);
- (b) in respect of Section 2B, deliberately to allow the flow of electricity through a Connection Point where such a flow of electricity has never previously existed (and cognate expressions shall be construed accordingly).

Energisation Works

means the movement of any switch or the addition of any fuse or meter to Energise a Connection Point, Metering Point or

Metering System.

Late Payment Notice

has, in respect of Section 2A, the meaning given to that term in Clause 23, and, in respect of Section 2B, has the meaning given to that term in Clause 46.

Maximum Export Capacity

means:

- (a) in respect of Section 2A and any Entry Point, the maximum amount of electricity, as agreed with the Company and expressed in kilowatts or kilovoltamperes, which may be exported onto the Distribution System via that Entry Point; and
- (b) in respect of Section 2B and any Bilateral Connection Agreement, the maximum amount of electricity, as set out in that Bilateral Connection Agreement and expressed in kilowatts or kilovoltamperes, which may be exported onto the Company's Distribution System via the Connection Point or defined group of Connection Points to which that Bilateral Connection Agreement relates.

Maximum Import Capacity

means:

- (a) in respect of Section 2A and any Exit Point, the maximum amount of electricity, as agreed with the Company and expressed in kilowatts or kilovoltamperes, which may be imported from the Distribution System via that Exit Point; and
- (b) in respect of Section 2B and any Bilateral Connection Agreement, the maximum amount of electricity, as set out in that Bilateral Connection Agreement and expressed in kilowatts or kilovoltamperes, which may be imported from the Company's Distribution System via the Connection Point or defined group of

Connection Points to which that Bilateral Connection Agreement relates.

Party Details

means:

- ~~(a) in respect of each Supplier Party and each DG Party, the information relating to that Party as set out in Schedule 11, and~~
- ~~(b) in respect of each DNO Party and each IDNO Party, the information relating to that Party as set out in Schedule 11 together with the information relating to that Party as set out in Schedule 13.~~

Payment Default

has, in respect of Section 2A, the meaning given to that term in Clause 23, and, in respect of Section 2B, the meaning given to that term in Clause 46.

Re-energise

means:

- (a) in respect of Section 2A, deliberately to allow the flow of electricity:
 - (i) in the case of an Exit Point, from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to; and/or
 - (ii) in the case of an Entry Point, to the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, any one or more of the relevant Entry Points) from,
- a Connected Installation, where such flow of electricity was previously prevented by De-energisation Works (and cognate expressions shall be construed accordingly); and

- (b) in respect of Section 2B, deliberately to allow the flow of electricity through a Connection Point, where such flow was previously prevented by De-energisation Works (and cognate expressions shall be construed accordingly).

Re-energisation Works means the movement of any switch, the replacement of any fuse or meter, or the taking of any other step to Re-energise a Connection Point, Metering Point or Metering System.

System Outage means, in relation to a DNO Party or IDNO Party, a planned or unplanned interruption to the flow of electricity through the whole or part of that Party's Distribution System implemented by or on behalf of that Party for safety or system security reasons or to enable that Party to inspect or effect alterations, maintenance, repairs or additions to any part of that Distribution System.

Transactional Charges has, in respect of Section 2A, the meaning given to that term in Clause 22.1, and, in respect of Section 2B, the meaning given to that term in Clause 45.1 (and in each case, for the avoidance of doubt, such charges may include Use of System Charges).

Use of Distribution System means in respect of a Company or User, the use by that User of that Company's Distribution System for the passing of electricity into a Distribution System and for the conveyance of such electricity by that Company through its Distribution System:

- (a) in the case of Section 2A, to Exit Points or from Entry Points; or
- (b) in the case of Section 2B, to or from Connection Points.

Use of System Charges	has, in respect of Section 2A, the meaning given to that term in Clause 19.2, and, in respect of Section 2B, the meaning given to that term in Clause 43.1 (and in each case, for the avoidance of doubt, such charges may include Transactional Charges).
User	has, in respect of Section 2A, the meaning given to that term in Clause 15.2, and, in respect of Section 2B, has the meaning given to that term in Clause 36.2.

Clause 4.2.2

4.2.2 the Panel believes that the Applicant has no reasonable prospect of satisfying the relevant conditions precedent set out in (in the case of all Applicants) Clause 16, and (in the case of only those applying to be DNO Parties or IDNO Parties ~~only~~) Clause 37, in the six-month period following its application to be so admitted.

Clause 9.5

~~*Suggestions as to which provisions of Section 2B should be designated as Part 1 matters are sought.*~~

9.5 The following current provisions of this Agreement shall conclusively be deemed to satisfy one or more of the criteria referred to at Clause 9.4 and each of them shall have the status of a Part 1 Matter:

9.5.1 Sections 1B (Governance) and 1C (Change Control);

9.5.2 Clauses 17.3 (Obligation to Include National Terms of Connection Wording in Contracts), 18.1 (Provision of Use of System), 19.1 (Use of System Charges), 24 (Security Cover), 25 (Energisation, De-Energisation and Re-Energisation), 26.1 (Compliance with the Distribution Code), 27.1 (Compliance with MOCOPA), 30.5 to 30.12 (inclusive) (Dangerous Incidents and Advance Notice of Interruptions and Damage or Interference), 31.1 (Demand Control),

and 33.1 to 33.2 (inclusive) (Compensation Under Guaranteed Performance Standards);

9.5.3 Clauses 38 (Bilateral Connection Agreements), 39 (The User's Right to be Connected and Energised), 40.1 (Provision of Use of Distribution System), 41 (Energisation, De-Energisation and Re-Energisation), 42 (Provision of Data and Metering Equipment), 43.1 and 43.2 (Use of System Charges), 47 (Security Cover), 48 (Compliance with Codes), 49 (Guaranteed Performance Standards) and 52 (Modifications);

9.5.4 Clauses 53 (Limitation of Liability), 54 (Termination) and 58 (Disputes);

9.5.5 Schedule 2A (Mandatory Terms for Contracts), Schedule 2B (National Terms of Connection) and Paragraph 6.1 of Schedule 5 (Disputes Under Approval and Permission Procedures); and

9.5.6 Clause 1 (Definitions and Interpretation), but only to the extent that it materially affects the interpretation of any of the provisions listed in Clauses 9.5.1 to 9.5.5.

Section 2A

Cross-references

The following provisions in Section 2A contain references to Clauses in Section 3 of the DCUSA (Clause 36 onwards), the numbering of which will alter as a consequence of introducing Section 2B.

In the case of each such reference, the Clause number referred to should be increased by 17.

- Clause 19.4
- Clause 23.4
- Clause 25.9.6
- Clause 25.9.7

Title & New Introductory Paragraph

SECTION 2A – DISTRIBUTOR to SUPPLIER/GENERATOR RELATIONSHIPS

SCOPE OF SECTION 2A

This Section 2A and the Schedules referred to in it set out the terms and conditions under which a DNO Party or an IDNO Party shall provide Use of Distribution System to a Supplier Party or a DG Party.

Clause 15

Party Obligations

15.1 In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, a reference to a **Company** is a reference to each Party that is either a DNO Party or an IDNO Party separately and individually and, where an obligation is imposed on, or a

right granted to, a Company, that obligation is imposed on, and that right is granted to, each such Party separately and independently.

15.2 In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, a reference to a **User** is:

15.2.1 a reference to each Party that is either, or both of, a Supplier Party or a DG Party separately and individually and, where an obligation is imposed on, or a right is granted to, a User, that obligation is imposed on, and that right is granted to, each such Party separately and independently; and

15.2.2 when made in relation to a Company and any period of time, a reference to each User (separately, individually and to the relevant extent) who is (or was), during that period, Registered in respect of a Metering Point or Metering System relating to an Entry Point or an Exit Point on that Company's Distribution System (provided that, in the case of Clauses 15, 16, 17 and 24, it shall include those Users who are taking steps to be so Registered, and that, in the case of Clauses 15, 24, 34 and 35, it shall include those Users who were once so Registered).

15.3 This Section 2A, and the Schedules when applied pursuant to it, shall:

15.3.1 only create rights and obligations between DNO Parties or IDNO Parties (on the one hand) and Supplier Parties or DG Parties (on the other), and shall not create rights or obligations between DNO Parties/IDNO Parties and other DNO Parties/IDNO Parties or between Supplier Parties/DG Parties and other Supplier Parties/DG Parties;

15.3.2 only create obligations between a Company and a User to the extent that, and in relation to those periods for which, that User is (or was) or is seeking to be Registered in respect of a Metering Point or Metering System relating to an Entry Point or an Exit Point on that Company's Distribution System; and

- 15.3.3 not impose any obligations between a Company and a User in relation to periods for which that User is (or was) not, and is not seeking to be, Registered in respect of any Metering Points or Metering Systems relating to Entry Points or Exit Points on that Company's Distribution System.

References in Relation to Companies and Users

15.4 In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, references to:

- 15.4.1 a Metering Point or Metering System are, when made in relation to a User and any period of time, references to a Metering Point or Metering System Registered to that User during that period;
- 15.4.2 an Entry Point or Exit Point are, when made in relation to a Company, references to an Entry Point or Exit Point on that Company's Distribution System;
- 15.4.3 an Entry Point or Exit Point are, when made in relation to a User and any period of time, references to an Entry Point or Exit Point relating to a Metering Point or Metering System Registered to that User during that period;
- 15.4.4 a Connectee, Connected Installation, Connection Agreement, Contract, Metering Point, Metering System or Use of System Charge are, when made in relation to a Company, references to a Connectee, Connected Installation, Connection Agreement, Contract, Metering Point, Metering System or Use of System Charge relating to an Entry Point or Exit Point on such Company's Distribution System; and
- 15.4.5 a Connectee, Connected Installation, Connection Agreement, Contract or Use of System Charge are, when made in relation to a User and any period of time, references to a Connectee, Connected Installation, Connection Agreement, Contract or Use of System Charge relating to an Entry Point or

Exit Point relating to a Metering Point or Metering System Registered to that User during that period.

Use of the Same Market Domain I.D.

- 15.5 Where, in relation to any period of time, more than one User is using the same Market Domain I.D. and where it is not reasonably practicable for a Company to identify which of those Users is Registered in respect of a particular Metering Point or Metering System, the Users shall be deemed, as against that Company, to be jointly and severally liable in respect of that Metering Point or Metering System.

Additional Interpretation

- 15.6 In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, any reference to a “charging period” is, subject to any contrary indication, a reference to the period specified in the Relevant Charging Statement (or, if no period is specified therein, a calendar month).

Distribution Code, Distribution Licence and Distribution Business

- 15.7 In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, any reference to “Distribution Code”, “Distribution Licence” and “Distribution Business” are references to the Company’s Distribution Code, the Company’s Distribution Licence and the Company’s Distribution Business.

Clause 29.8

Add the following heading: “Operational Metering Equipment”.

Clause 29.12

Use of Data

29.12 The User hereby agrees that the Company may aggregate and manipulate the data provided by the User to the Company under Clauses 29.3 and 29.4, and may share that data with any DNO Party or IDNO Party to whom the Company owes obligations under Section 2B for the purpose of matters provided for or envisaged by Section 2B (including the calculation of any charges payable by the Company under Section 2B).

Clause 30.9

30.9 Where the User holds a Supply Licence, the User shall ~~;~~ (and shall ensure that its contractors and agents shall) in a prompt and appropriate manner having regard to the nature of the incident, inform the Company ~~if~~ where the User has (or in the case of the User's contractors and agents, such contractors and agents have) reason to believe:

~~(a)~~ 30.9.1 that there has been damage to the Electrical Plant or Electric Lines owned by the Company; or

30.9.2 ~~(b)~~ that there has been interference with any metering equipment at an Entry Point or an Exit Point on the Company's Distribution System that has prevented such metering equipment from correctly registering the quantity of electricity supplied,

unless the User believes that the damage or interference was caused by the Company.

Section 3

Cross-references

The following provisions in Section 3 contain references to Clauses in Section 3 of the DCUSA (Clause 36 onwards), the numbering of which will alter as a consequence of introducing Section 2B.

In the case of each such reference, the Clause number referred to should be increased by 17.

Cross-references are not listed where detailed re-drafting of the relevant Section 3 clause is set out in the following pages (as such re-drafting picks up the clause reference amendment).

- Clause 36.1
- Clause 36.3
- Clause 36.3.3
- Clause 36.5
- Clause 36.6
- Clause 36.7
- Clause 36.8
- Clause 36.9
- Clause 37.1.1
- Clause 37.1.6
- Clause 37.4
- Clause 37.5
- Clause 37.7
- Clause 38.1

- Clause 38.1.3
- Clause 39.1
- Clause 39.2
- Clause 39.3
- Clause 39.4
- Clause 39.6
- Clause 39.7
- Clause 40.3
- [Clause 40.7](#)
- [Clause 40.8](#)
- Clause 41.3
- Clause 41.4
- Clause 41.5
- Clause 42.4.2
- Clause 42.5
- Clause 42.6
- Clause 42.7
- Clause 42.8
- Clause 43.8
- Clause 43.9
- Clause 43.13

- Clause 43.14

Middle Paragraph of Clause ~~37.1.7~~6.1 (which becomes Clause 53.1)

“provided that the liability of the Party Liable in respect of all claims for such loss shall in no circumstances exceed £1 million (or, in relation to Bilateral Connection Agreements under Section 2B, such higher figure as the two Parties thereto may agree in such Bilateral Connection Agreement) per incident or series of related incidents, and provided further that the Party Liable shall be entitled:”

Clause ~~37.1.7~~ (which becomes 54.1.7)

~~37~~54.1.7 any of the conditions precedent relating to the Breaching Party set out in Clauses 16.1.2 to 16.1.7 (inclusive) or in Clauses 37.1.1 to 37.1.5 (inclusive) cease to be satisfied in respect of the Breaching Party.

Clause 37.2 (which becomes Clause 54.2)

54.2 For so long as an Event of Default is continuing, where a DG Party and/or a Supplier Party is a User under Section 2A, or where an IDNO Party or a DNO Party is a User under Section 2B, and, in either case, that Party is a Breaching Party pursuant to:

54.2.1 Clause 54.1.1 or 54.1.6, any Party to whom the obligations in question were owed shall be entitled to suspend its performance of the services described in Section 2 to the Breaching Party by notice in writing to the Breaching Party; and

54.2.2 any other provision of Clause 54.1, any Party shall be entitled to suspend its performance of the services described in Section 2 to the Breaching Party by notice in writing to the Breaching Party,

and the Breaching Party shall pay to the suspending Party an amount equal to any reasonable costs incurred by such Party as a result of such suspension.

Clause 37.9 (which becomes Clause 54.9)

54.9 Clauses 1, 8 (only in respect of those Financial Years, and parts thereof, during which it was a Party), 15, 19 to 25 (inclusive), 32, 34, 35, 36, 41, 43 to 47 (inclusive), 50, 51, 53, 54.8 and 54.9 shall survive the termination of such accession and continue to apply to a Party after it ceases to be a Party.

Clauses 40.5 to 40.8 (which become Clauses 57.5 to 57.8)

Party Details

~~57.5 On each Party's accession to this Agreement, the Secretariat shall add that Party's Party Details to Schedule 11 and (where applicable) Schedule 13.~~

~~57.6 Each Party shall ensure that the Secretariat is notified of any changes from time to time in that Party's Party Details, so as to ensure that the same can be kept up to date from time to time.~~

~~57.7 The Secretariat shall, on receipt of any notification under Clause 57.6, promptly:~~

~~57.7.1 amend Schedule 11 and (where applicable) Schedule 13 to reflect the relevant changes in the relevant Party's Party Details; and~~

~~57.7.2 circulate (as applicable) a copy of the amended Schedule 11 to all the Parties and a copy of the amended Schedule 13 to all DNO Parties and IDNO Parties.~~

~~57.8 Notwithstanding Clauses 9.2 and 10.1, any changes to Schedule 11 or Schedule 13 in accordance with Clause 57.5 or 57.7 shall not constitute a change to which Section 1-C applies.~~

Clause 42.1 (which becomes Clause 59.1)

59.1 Any notice, request or other communication under Section 2 shall be sent by the means (if any) indicated in Schedule 7 and shall have the content (if any) indicated in Schedule 7 and where Schedule 7 specifies a Data Transfer Catalogue reference number in relation to any notice, request or other communication, such notice, request or communication shall be sent in the format and with the content described under such reference in the Data Transfer Catalogue, as amended from time to time.

Clause 43.4 (which becomes Clause 60.4)

60.4 The failure by any Party to exercise, or the delay by any Party in exercising, any right, power, privilege or remedy provided under this Agreement or a Distribution Code or by law shall not constitute a waiver thereof nor of any other right, power, privilege or remedy. No single or partial exercise of any such right, power, privilege or remedy shall preclude any future exercise thereof or the exercise of any other right, power, privilege or remedy.

Clause 43.11 (which becomes Clause 60.11)

60.11 Any Party may sub-contract or delegate the performance of all or any of its obligations under this Agreement (including activities envisaged by a Distribution Code) to any appropriately qualified and experienced third party, but shall at all times remain liable to the other Parties in relation to all sub-contracted or delegated obligations.

Schedules

Cross-references

The following provisions in the Schedules contain references to Clauses in Section 3 of the DCUSA (Clause 36 onwards), the numbering of which will alter as a consequence of introducing Section 2B.

Cross-references are not listed where detailed re-drafting of the relevant Schedule is set out in the following pages.

In the case of each such reference, the Clause number referred to should be increased by 17.

- Schedule 1, paragraph 5.1
- Schedule 1, paragraph 9.1
- Schedule 8, “Effective Date”
- Schedule 8, paragraph 5.3
- Schedule 8, paragraph 6.3
- Schedule 8, paragraph 7.3
- Schedule 8, paragraph 11.4
- [Schedule 9, paragraph 3](#)

SCHEDULE 1 – COVER

Paragraph 2.3 (The User’s Credit Allowance)

2.3 The User’s Credit Allowance (CA here below) shall be calculated according to the following formula:

$$CA = RAV \times 2\% \times CAF$$

where:

- RAV is the closing balance for the Regulatory Asset Value (having the meaning given to that term in the price control review reporting rules issued by the Authority pursuant to Condition 52 of the Company's Distribution Licence) as published in the Company's latest audited price control review information (or, where no Regulatory Asset Value is published, shall be a value to be determined by the Authority as a suitable replacement following consultation with the Company); and
- CAF is the Credit Allowance Factor (which is to be expressed as a percentage determined under Paragraph 2.4 or 2.5 or in accordance with Paragraph 2.10).

Paragraph 2.4

2.4 Where the User has a Credit Rating from an Approved Credit Referencing Agency that is Ba3/BB- or above, CAF shall be determined according to the following table. For the purposes of this Schedule, and subject to evidence to the contrary, all IDNO Parties shall be deemed to have a rating of Baa3 / BBB-.

Paragraph 2.12

2.12 The Good Payment Performance Start Date shall:

- (a) for Users under Section 2A, initially, be the date of the earliest of the first Initial Account, the first Reconciliation Account, the first account issued pursuant to Clause 21, or the first account comparable to the foregoing issued under the use of system agreement applying between the User and the Company immediately before this Agreement became effective (the **relevant account**);
- (b) for Users under Section 2B, initially, be the date of the earliest of the first account issued pursuant to Clause 44 or 45, or the first account comparable to the foregoing issued under ~~the~~ any connection and use of system agreement

applying between the User and the Company immediately before this Agreement became effective (the **relevant account**); and

- (c) for all Users, where the User fails, or has failed, on any occasion to pay any relevant account relating to undisputed Use of System Charges in full on the applicable payment date, be the date on which the relevant account is submitted in the month subsequent to the month in which such payment failure occurs (unless, having regard to all the circumstances, including in particular the value, duration, and frequency of failure, the Company reasonably determines an earlier date).

Paragraph 2.18

- 2.18 Where a Credit Support Provider provides a Qualifying Guarantee for the User and for another users of the Company's Distribution System, the aggregate of all Qualifying Guarantees so offered shall not exceed the maximum Credit Allowance that could be determined for that Credit Support Provider pursuant to Paragraph 2.3.

Paragraph 3.5 (Actions in Relation to Cover Default)

- 3.5 In addition to any other remedies available to it, the Company shall be entitled to take the following actions following a Cover Default (provided ~~in the case of Section 2A~~ that, where the provision of MPAS to the User or the right to make future Connections (as applicable) has been suspended at any time after Day 0 + 5, the Company must, as soon as the Cover Default has been remedied, take such steps as are within its power to initiate the restoration of MPAS to the User or the right to make future Connections (as applicable)):

Working Days After Cover Default	Action Within the Company's Rights Under this Schedule
Day 0	Date of default
Day 0 + 1	Interest and administration fee start to apply.
Day 0 + 1	Issue notice of default to Contract Manager containing a statement of the Indebtedness Ratio and send a copy of such

	notice to the Authority.
Day 0 + 3	Formal User response required.
Section 2A	
Day 0 + 5	Initiate action to suspend provision of MPAS to User in accordance with the provisions of the Master Registration Agreement, and notify the Authority.
Section 2B	
Day 0 + 5	Initiate action to suspend the right to make any further Connections to the Company's Distribution System, and notify both the User and the Authority.

SCHEDULE 4 – BILLING AND PAYMENT DISPUTES

1 Billing and Payment Disputes under Section 2A

- 1.1 Subject to Clause 19.11, this Paragraph 1 of Schedule 4 applies to disputes in relation to charges payable by the User pursuant to any of the provisions of Section 2A.
- 1.2 Where the User disputes an account issued under any of Clauses 20, 21 or 22 and the dispute is a Designated Dispute (as defined in Paragraph 1.3):
- (a) the User shall pay such amount of the charges due as are not in dispute and shall be entitled to withhold the balance pending resolution of the dispute;
 - (b) the User and Company shall use reasonable endeavours to resolve the dispute in good faith;
 - (c) where the dispute remains unresolved after 20 Working Days, either of the User or the Company may refer the dispute to arbitration in accordance with Clause 58; and
 - (d) following resolution of the dispute, any amount agreed or determined to be payable shall be paid within 20 Working Days after such agreement or determination, and interest shall accrue on such amount plus Value Added Tax (if any) from the date on which such amount was originally due until the date of payment at the rate of 1% per annum above the base rate during such period of Barclays Bank plc, compounded annually.
- 1.3 A dispute shall be a **Designated Dispute** for the purposes of this Paragraph 1 where within 14 days of receiving a request for payment the User in good faith (i) notifies the Company that one or more of the circumstances mentioned in Paragraph 1.3(a) and (b) applies to the request, and (ii) provides the Company with a statement and explanation of the amount in dispute. Those circumstances are:
- (a) that, in the calculation by the Company of the charges in question, there is a **manifest error**, being either (i) an error in the information used for, or (ii) an arithmetical error in, that calculation which is apparent on the face of the relevant account, or (iii) an error which, not being apparent thereon, the User

nevertheless in good faith believes will be shown to be present in the calculation upon investigation; and/or

- (b) that, for a Metering Point or Metering System within Clause 19.5.1, the Company has chosen not to use the half-hourly data (whether actual or estimated) provided by the Data Collector for the purposes of Settlement in calculating Use of System Charges, and the User disputes the accuracy or validity of the data actually used.

1.4 Disputes about the matters listed at Paragraph 1.4(a) and (b) are not Designated Disputes and Paragraph 1.2 shall not apply (except in the case of a manifest error) where:

- (a) the Company has invoiced Use of System Charges in accordance with Clause 19.5; or
- (b) the Company has used estimated data in accordance with Clause 21.2.1.

1.5 Where, other than in the case of a Designated Dispute, within 14 days of receiving a request for payment the User in good faith provides the Company with a statement and explanation of the amount of the charges in dispute:

- (a) the User shall pay the total amount of such charges as they fall due in accordance with Clause 19.6;
- (b) the Company and the User shall use reasonable endeavours to resolve the dispute in good faith;
- (c) where the dispute remains unresolved after 20 Working Days, either the Company or the User may refer the dispute to arbitration in accordance with Clause 58; and
- (d) following resolution of the dispute, any amount agreed or determined to be repayable (including where appropriate any interest paid pursuant to Clause 23.3) by the Company shall be paid within 20 Working Days after such agreement or determination, and interest shall accrue on such amount from the date on which such amount was originally paid by the User until the date of

repayment at 1% per annum above the base rate during such period of Barclays Bank plc, compounded annually.

1.6 Billing and Payment Disputes under Section 2B

1.7 This Paragraph 2 of Schedule 4 applies to disputes in relation to charges payable by the User pursuant to any of the provisions of Section 2B.

1.8 Where the User disputes an account issued under either of Clause 44 or 45 and the dispute is a Designated Dispute (as defined in Paragraph 2.3):

- (a) the User shall pay such amount of the charges due as are not in dispute and shall be entitled to withhold the balance pending resolution of the dispute;
- (b) the User and Company shall use reasonable endeavours to resolve the dispute in good faith;
- (c) where the dispute remains unresolved after 20 Working Days, either of the User or the Company may, on notice to the other:
 - (i) refer the dispute to arbitration in accordance with Clause 58; or
 - (ii) elect ~~to dispense with the provisions of Clause 41 and~~ not to rely on arbitration, in which case arbitration will not apply and either of them may refer the dispute to the Authority for its determination, which shall be final and binding; and
- (d) following resolution of the dispute, any amount agreed or determined to be payable shall be paid within 20 Working Days after such agreement or determination, and interest shall accrue on such amount plus Value Added Tax (if any) from the date on which such amount was originally due until the date of payment at the rate of 1% per annum above the base rate during such period of Barclays Bank plc, compounded annually.

1.9 A dispute shall be a **Designated Dispute** for the purposes of this Paragraph 2 where within 14 days of receiving a request for payment the User in good faith (i) notifies the Company that one or more of the circumstances mentioned in Paragraph 2.3(a)

and (b) applies to the request, and (ii) provides the Company with a statement and explanation of the amount in dispute. Those circumstances are:

- (a) that, in the calculation by the Company of the charges in question, there is a **manifest error**, being either (i) an error in the information used for, or (ii) an arithmetical error in, that calculation which is apparent on the face of the relevant account, or (iii) an error which, not being apparent thereon, the User nevertheless in good faith believes will be shown to be present in the calculation upon investigation; and/or
- (b) that the Company has chosen not to use the data (whether actual or estimated) provided in accordance with Clause 43.6 in calculating Use of System Charges, and the User disputes the accuracy or validity of the data actually used.

1.10 Disputes about the matters listed at Paragraph 2.4(a) and (b) are not Designated Disputes and Paragraph 2.2 shall not apply (except in the case of a manifest error) where:

- (a) the Company has invoiced Use of System Charges in accordance with Clause 43.6; or
- (b) the Company has used estimated data in accordance with Clause 44.3.

1.11 Where, other than in the case of a Designated Dispute, within 14 days of receiving a request for payment the User in good faith provides the Company with a statement and explanation of the amount of the charges in dispute:

- (a) the User shall pay the total amount of such charges as they fall due in accordance with Clause 43.7;
- (b) the Company and the User shall use reasonable endeavours to resolve the dispute in good faith;
- (c) where the dispute remains unresolved after 20 Working Days, either the Company or the User may, on notice to the other:
 - (i) refer the dispute to arbitration in accordance with Clause 58; or

- (ii) elect ~~to dispense with the provisions of Clause 41 and~~ not to rely on arbitration, in which case arbitration shall not apply and either of them may refer the dispute to the Authority for its determination, which shall be final and binding; and
- (d) following resolution of the dispute, any amount agreed or determined to be repayable (including where appropriate any interest paid pursuant to Clause 46.3) by the Company shall be paid within 20 Working Days after such agreement or determination, and interest shall accrue on such amount from the date on which such amount was originally paid by the User until the date of repayment at 1% per annum above the base rate during such period of Barclays Bank plc, compounded annually.

SCHEDULE 5 – APPROVAL AND PERMISSIONS PROCEDURE

References to “the Distribution System” in the following paragraphs will be changed to refer to “the Company’s Distribution System”: Paragraphs 2.1, 2.2, 2.3, 4.1, 4.2, 4.3, 5.1 and 5.2.

Paragraph 2.1

Subject to the provisions of Clause 25 or Clause 41 (as applicable) and this Schedule 5, the User shall be entitled to procure the performance of Works on the Distribution System by a person who is not an employee of the Company. This Schedule 5 does not apply to work carried out by a Meter Operator pursuant to the Meter Operation Services Agreement.

SCHEDULE 6 – METERING ACCURACY

1 METERING ACCURACY

- 1.1 Metering equipment installed and maintained pursuant to Clause 29.1, 42.2.~~1~~ or 42.~~3~~4 shall be capable of operating within the accuracy limits specified pursuant to the Balancing and Settlement Code, or (in the case of ~~Clause~~Clauses 29.1 and 42.4 only) where no accuracy limits are specified in relation to an element of any metering equipment under the Balancing and Settlement Code, the accuracy of that element shall be no less than that specified in Tables 1 to 4 (inclusive) of Code of Practice Four approved pursuant to the Balancing and Settlement Code (in either case, **the agreed accuracy limits**).

2 DISPUTES IN RELATION TO METERING ACCURACY

- 2.1 Unless the accuracy of metering equipment installed and maintained pursuant to Clause 29.1, 42.2.~~1~~ or 42.~~3~~4 is disputed by notice in writing (**a dispute notice**) given by one party to the other, such metering equipment shall be deemed to be accurate.
- 2.2 If a dispute notice is given under Paragraph 2.1 in respect of metering equipment installed pursuant to Clause 29.1, then, unless otherwise agreed, the metering equipment shall as soon as practicable be examined and tested by a meter examiner in accordance with Schedule 7 to the Act.
- 2.3 If a dispute notice is given under Paragraph 2.1 in respect of metering equipment installed pursuant to Clause 42.2.~~1~~ or 42.~~3~~4, then, unless otherwise agreed, the metering equipment shall as soon as practicable be examined and tested by an independent third party agreed to by the Company and the User. Where the Company and the User cannot agree on the identity of such independent third party, such independent third party may be appointed by the Authority on the application of either the Company or the User.
- 2.4 If on such test under Paragraph 2.2 or 2.3:
- (a) it is found that the inaccuracy of the registration of the metering equipment at normal loads exceeds the agreed accuracy limits, suitable adjustment shall be made in the accounts rendered by the Company and the metering equipment or

part thereof found to be inaccurate shall be recalibrated or replaced and the cost of such test and recalibration or replacement shall be paid by the User;

- (b) the metering equipment is found to be accurate within the said limits, the metering equipment shall be deemed to be accurate and the cost of moving, testing and replacing the metering equipment or any part thereof shall be paid by the party who gave the relevant dispute notice.

SCHEDULE 7 – EVENT LOG

To be reviewed in its entirety as a separate work stream.

SCHEDULE 9 – ACCESSION AGREEMENT

~~3 The New Party's Party Details shall, initially, be as set out in the schedule hereto and those Party Details shall be added to schedule 11 and (if appropriate) schedule 13 of the DCUSA in accordance with clause 57.5 of the DCUSA.~~

SCHEDULE 12 – MATTERS FOR FUTURE DEVELOPMENT

Delete paragraph 1, and re-number accordingly.

Document comparison by Workshare Professional on 22 November 2007 11:55:55

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Document 2 ID	interwovenSite://worksite/Legal01/10219115/1
Description	#10219115v1<Legal01> - Section 2B Consequentials (for CP)
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Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
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Padding cell	

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